

| Agency Legislative Budget | | | | | | | | |
|---------------------------|-------------------------------|--------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|
| Budget Item | Base Budget Fiscal 2000 | PL Base Adjustment Fiscal 2002 | New Proposals Fiscal 2002 | Total Leg. Budget Fiscal 2002 | PL Base Adjustment Fiscal 2003 | New Proposals Fiscal 2003 | Total Leg. Budget Fiscal 2003 | Total Leg. Budget Fiscal 02-03 |
| FTE | 125.27 | 0.00 | 0.00 | 125.27 | 0.00 | 0.00 | 130.44 | 130.44 |
| Personal Services | 6,081,445 | 355,049 | 0 | 6,436,494 | 354,762 | 0 | 6,436,207 | 12,872,701 |
| Operating Expenses | 2,638,316 | 953,902 | 58,403 | 3,650,621 | 50,566 | 0 | 2,688,882 | 6,339,503 |
| Equipment | 125,954 | (25,954) | 0 | 100,000 | (25,954) | 0 | 100,000 | 200,000 |
| Total Costs | \$8,845,715 | \$1,282,997 | \$58,403 | \$10,187,115 | \$379,374 | \$0 | \$9,225,089 | \$19,412,204 |
| General Fund | 6,729,738 | 1,029,457 | 58,403 | 7,817,598 | 742,691 | 0 | 7,472,429 | 15,290,027 |
| State/Other Special | 2,115,977 | 253,540 | 0 | 2,369,517 | (363,317) | 0 | 1,752,660 | 4,122,177 |
| Total Funds | \$8,845,715 | \$1,282,997 | \$58,403 | \$10,187,115 | \$379,374 | \$0 | \$9,225,089 | \$19,412,204 |

Agency Description

The Legislative Branch consists of the legislature and supporting staff divisions as provided in Title 5-2-503, MCA. The principal agency entities are the Senate, the House of Representatives, the Legislative Services Division, the Legislative Fiscal Division, and the Legislative Audit Division. This budget is only for the three staff divisions and legislative interim work. The budget for legislative sessions is in the "feed bill".

Summary of Legislative Action

The budget for the legislative branch increases by \$1.8 million, or 10.5 percent over the 2001 biennium level. General fund increases \$1.6 million or 11.4 percent. Biennial increases in the Legislative Branch budget from the fiscal 2000 base are entirely present law adjustments including: 1) personal services increases for vacancy savings and annualization of the 2003 biennium pay plan; 2) cyclical costs of a legislative session year to support the legislature (these costs are maintained at the current biennium funding level, but show an increase since they are not included in the non-session base year); 3) significant fixed costs assessment increases by service-providing agencies for such fee-based central services as payroll, computer services, and rent (rent is up significantly based on Capitol restoration); and 4) costs of providing information technology services to the legislature and staff divisions (significant increases for maintenance/upgrades and development of analytical interfaces with new statewide legacy reporting systems). The only new proposals approved for the branch were to fund specific interim studies approved by the 57th Legislature.

Other Legislation

Study Resolutions and Interim Studies - The legislature passed several bills containing study resolutions requesting specific interim studies. These studies will be prioritized by legislative direction, and available staff and funding. As many studies as possible will be completed during the interim period based on other legislative interactive changes and events. The Legislative Council voted at its May 2001 meeting to assign or recommend all interim studies to committees except for the HJR 15 and HJR 24 studies. The following summarizes legislation and interim study resolutions:

Resolutions

- ?? House Joint Resolution 1 - HJR 1 requests an interim study of Mental Health Managed Care including creation of a Legislative Finance Committee subcommittee to study this issue
- ?? House Joint Resolution 8 - HJR 8 requests an interim study on election reform
- ?? House Joint Resolution 15 - HJR 15 requests an interim study of community college laws
- ?? House Joint Resolution 21 - HJR 21 requests an interim study of the management of forest fuels with emphasis on the issue of air quality concerns during open burning
- ?? House Joint Resolution 24 - HJR 24 requests an interim study of annexation laws
- ?? House Joint Resolution 27 - HJR 27 requests an interim study of the Environmental Quality Council oversight for Environmental Impact Statements on proposed coal-bed natural gas resources development
- ?? House Joint Resolution 35 - HJR 35 requests an interim study by the Education and Local Government Interim Committee of prepaid college tuition

- ?? House Joint Resolution 37 - HJR 37 requests an interim study of bicycle safety in regard to highway planning, design, and use
- ?? House Joint Resolution 39 - HJR 39 requests an interim study of criminal statutes
- ?? House Joint Resolution 40 - HJR 40 requests an interim study of the use of the pre-professional skills test in teacher licensure
- ?? House Joint Resolution 41 - HJR 41 requests an interim study of the transfer of territory between school districts
- ?? House Joint Resolution 42 - HJR 42 requests an interim study on the methodology of funding wildland fire suppression
- ?? Senate Joint Resolution 5 - SJR 5 requests an interim study on veteran's issues
- ?? Senate Joint Resolution 6 - SJR 6 requests an interim study of traffic codes
- ?? Senate Joint Resolution 8 - SJR 8 requests an interim study of the privatization of foster care and adoption
- ?? Senate Joint Resolution 21 - SJR 21 requests an interim study of nonagricultural land
- ?? Senate Joint Resolution 22 - SJR 22 requests an interim study of health insurance and rising health care costs
- ??

Interim Studies and other Legislation

- ?? House Joint Resolution 34 - HJR 34 requests an interim study of unfunded leave liability of state employees
- ?? House Bill 2 - HB 2 requires: 1) an interim study on vacancy savings and personal services alternatives; 2) regular OBPP reporting on energy management efforts; 3) regular DOR reports on the status of the POINTS system; 4) a DOR actuarial study of the Police Retirement Fund; 5) DPHHS studies on the cost of raising children in Montana, regular reports on comparable service rates, regular reports on TANF grant expenditures, and a report on applying income criteria on developmental disability services; 6) FWP reports on project expenditures and dedicated FTE, and use of lodging facility use tax; 7) a DEQ liability study on release of petroleum tank compensation; 8) DOL summary reports on the cost of bison control management in all departments; 9) regular DNRC reports on progress of the flood damage project; 10) a DOLI report on fleet management; 11) a DOA report on additional online terminals; and 12) a State Library report on projects and their expenditures. This bill contains necessary funding over the 2003 biennium (already included in HB 2)
- ?? House Bill 144 - HB 144 requires the Legislative Services Division to implement a statewide legislative proceedings broadcasting service. This bill contains \$1.3 million in state special revenue funding over the 2003 biennium derived from an increase in the state lobbyist fee
- ?? House Bill 625 - HB 625 requires a K-12 education funding study. This bill provides \$10,000 general fund over the 2003 biennium to the Legislative Services Division and another \$10,000 to the Office of Public Instruction
- ?? Senate Bill 10 - SB 10 authorizes expansion of interim committee duties including review of proposed legislation, clearinghouse functions, and the operation of a state-tribal relations interim committee
- ?? Senate Bill 11 - SB 11 requires statewide participation in the Pacific Northwest Economic Region. Membership dues have been waived and there is no fiscal impact
- ?? Senate Bill 162 - SB 162 requires a review, by the Legislative Fiscal Committee of revenue dedicated to local governments

| Agency Budget Comparison | | | | | | | | |
|--------------------------|-------------------------------|------------------------------------|--------------------------------------|--|------------------------------------|--------------------------------------|--|--|
| Budget Item | Base Budget Fiscal 2000 | Executive Budget Fiscal 2002 | Legislative Budget Fiscal 2002 | Leg – Exec. Difference Fiscal 2002 | Executive Budget Fiscal 2003 | Legislative Budget Fiscal 2003 | Leg – Exec. Difference Fiscal 2003 | Biennium Difference Fiscal 02-03 |
| FTE | 125.27 | 125.27 | 125.27 | 0.00 | 130.44 | 130.44 | 0.00 | |
| Personal Services | 6,081,445 | 6,729,120 | 6,436,494 | (292,626) | 6,703,586 | 6,436,207 | (267,379) | (560,005) |
| Operating Expenses | 2,638,316 | 3,924,001 | 3,650,621 | (273,380) | 3,192,313 | 2,688,882 | (503,431) | (776,811) |
| Equipment | 125,954 | 100,000 | 100,000 | 0 | 175,247 | 100,000 | (75,247) | (75,247) |
| Total Costs | \$8,845,715 | \$10,753,121 | \$10,187,115 | (\$566,006) | \$10,071,146 | \$9,225,089 | (\$846,057) | (\$1,412,063) |
| General Fund | 6,729,738 | 8,321,531 | 7,817,598 | (503,933) | 8,258,442 | 7,472,429 | (786,013) | (1,289,946) |
| State/Other Special | 2,115,977 | 2,431,590 | 2,369,517 | (62,073) | 1,812,704 | 1,752,660 | (60,044) | (122,117) |
| Total Funds | \$8,845,715 | \$10,753,121 | \$10,187,115 | (\$566,006) | \$10,071,146 | \$9,225,089 | (\$846,057) | (\$1,412,063) |

Executive Budget Comparison

The legislature approved a budget that is \$1.4 million less than the original Legislative Branch request. Reductions were attributed to: 1) elimination of all new proposals, including legislative participation in the National Council of State Legislatures (NCSL) and the Council of State Governments (CSG), and elimination of a proposal to establish the capacity to Internet broadcast legislative proceedings; and 2) application of a 4 percent vacancy savings rate.

| Program Legislative Budget | | | | | | | | |
|----------------------------|-------------------------------|--------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|
| Budget Item | Base Budget Fiscal 2000 | PL Base Adjustment Fiscal 2002 | New Proposals Fiscal 2002 | Total Leg. Budget Fiscal 2002 | PL Base Adjustment Fiscal 2003 | New Proposals Fiscal 2003 | Total Leg. Budget Fiscal 2003 | Total Leg. Budget Fiscal 02-03 |
| FTE | 49.50 | 0.00 | 0.00 | 49.50 | 0.00 | 0.00 | 54.67 | 54.67 |
| Personal Services | 2,473,993 | 25,700 | 0 | 2,499,693 | 118,933 | 0 | 2,592,926 | 5,092,619 |
| Operating Expenses | 2,048,542 | 512,873 | 0 | 2,561,415 | 247,557 | 0 | 2,296,099 | 4,857,514 |
| Equipment | 125,954 | (25,954) | 0 | 100,000 | (25,954) | 0 | 100,000 | 200,000 |
| Total Costs | \$4,648,489 | \$512,619 | \$0 | \$5,161,108 | \$340,536 | \$0 | \$4,989,025 | \$10,150,133 |
| General Fund | 3,650,692 | 605,063 | 0 | 4,255,755 | 907,595 | 0 | 4,558,287 | 8,814,042 |
| State/Other Special | 997,797 | (92,444) | 0 | 905,353 | (567,059) | 0 | 430,738 | 1,336,091 |
| Total Funds | \$4,648,489 | \$512,619 | \$0 | \$5,161,108 | \$340,536 | \$0 | \$4,989,025 | \$10,150,133 |

Program Description

The Legislative Services Division provides research, reference, legal, technical, information technology, and administrative support services to the House, Senate, and other divisions of the Legislative Branch. Division services include: 1) bill and amendment drafting, preparation of bills for introduction, and engrossing and enrolling bills; 2) publication of legislative documents of record; 3) provision of legislative research and reference services, legal counseling on legislative matters, and agency legal support; 4) agency management and business services; 5) planning, installation, and maintenance of the agency computer network and applications; 6) legislative committee staffing and support; 7) preparation, publication, and distribution of the Montana Code Annotated text and annotations; 8) review of the text of proposed ballot measures; and 9) provision of legislative information to the public. The Legislative Council provides policy guidance to the Legislative Services Division.

Funding

The Legislative Services program is funded by general fund except for state special revenue appropriations that support costs associated with the preparation, publication, and distribution of Montana Code Annotated text and annotations. For the 2003 biennium, \$8.8 million general fund provides 87 percent of division funding, and \$1.3 million state special revenue provides 13 percent of the division's budget.

| Present Law Adjustments | | | | | | | | | |
|---|-------------|------------------|--------------------|------------------|-----------------------|------------------|--------------------|--------------------|-------------------|
| -----Fiscal 2002----- | | | | | -----Fiscal 2003----- | | | | |
| FTE | General | State Special | Federal Special | Total Funds | FTE | General | State Special | Federal Special | Total Funds |
| Personal Services | | | | 129,854 | | | | | 208,972 |
| Vacancy Savings | | | | 0 | | | | | 0 |
| Inflation/Deflation | | | | (22,210) | | | | | (21,011) |
| Fixed Costs | | | | 138,465 | | | | | 218,294 |
| Total Statewide Present Law Adjustments | | | | \$246,109 | | | | | \$406,255 |
| DP 696 - Data Network Fixed Cost Reduction | 0.00 | (1,922) | 0 | (1,922) | 0.00 | (2,938) | 0 | 0 | (2,938) |
| DP 698 - Rent Reduction - Use of Capitol Land Grant | 0.00 | (31,309) | 0 | (31,309) | 0.00 | (31,417) | 0 | 0 | (31,417) |
| DP 699 - Vacancy Savings at 4 Percent | 0.00 | (91,654) | (12,500) | (104,154) | 0.00 | (99,039) | (9,000) | 0 | (108,039) |
| DP 2001 - Legislative Session Costs | 0.00 | 0 | 0 | 0 | 0.00 | 55,800 | 0 | 0 | 55,800 |
| DP 2002 - Montana Codes Production | 0.00 | 0 | 49,538 | 49,538 | 0.00 | 0 | (338,474) | 0 | (338,474) |
| DP 2003 - Legislative Computer Systems Plan | 0.00 | 253,023 | 0 | 253,023 | 0.00 | 261,215 | 0 | 0 | 261,215 |
| DP 2004 - Systems Support of Codes Production | 0.00 | 0 | 101,334 | 101,334 | 0.00 | 0 | 98,134 | 0 | 98,134 |
| Total Other Present Law Adjustments | 0.00 | \$128,138 | \$138,372 | \$0 | 0.00 | \$183,621 | (\$249,340) | \$0 | (\$65,719) |
| Grand Total All Present Law Adjustments | | | | \$512,619 | | | | | \$340,536 |

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 696 - Data Network Fixed Cost Reduction - The legislature approved fees and charges for data network support provided by the Information Services Division of the Department of Administration at a level lower than that proposed by the executive and used to develop the associated fixed cost budget requests. This reduction of \$1,922 in fiscal 2002 and \$2,938 in fiscal 2003 removes the corresponding fixed costs from the agency budget.

DP 698 - Rent Reduction - Use of Capitol Land Grant - The legislature approved using Capitol Land Grant funds to augment rent payments made by tenants. This includes reductions of \$31,309 in fiscal 2002 and \$31,417 in fiscal 2003. Capital Land Grant funds are used for qualified maintenance and debt service payments of the General Services Program for state-owned facilities on the Capitol complex.

DP 699 - Vacancy Savings at 4 Percent - The legislature approved applying the statewide vacancy savings rate of 4 percent to the Legislative Branch including the state share of health insurance premiums in the calculation for determining the amount. This produced a \$212,193 reduction in funding for the Legislative Services Division, (including \$190,693 general fund and \$21,500 state special revenue).

DP 2001 - Legislative Session Costs - The legislature approved funding for a present law adjustment for cyclical costs associated with support of the 2003 legislative session. This includes \$55,800 in fiscal 2003. This funding is for cyclical requirements not reflected in even-numbered base years, and includes payment of staff overtime, temporary staffing of the bill status system, photocopy costs, and office supply costs.

DP 2002 - Montana Codes Production - The legislature reduced state special revenue by \$288,936 for the 2003 biennium to adjust for cyclical expenditure patterns associated with the production and publication of the Montana Codes Annotated.

DP 2003 - Legislative Computer Systems Plan - The legislature approved funds to maintain the legislative branch computer system plan, including use of consultants, work-study contracts, and system development and software designed to analyze and audit the state's enterprise systems, SABHRS and BANNER. This includes \$253,023 in fiscal 2002 and \$261,215 in fiscal 2003. The computing environment supports the House, the Senate, and the Services, Fiscal, and Audit Divisions. Using existing software and hardware tools, the branch will maintain the operational status of the current computer environment, streamline the Web publication process, implement ArcView software for GIS, and use PeopleSoft and BANNERS tools to integrate systems.

DP 2004 - Systems Support of Codes Production - The legislature approved funds for systems support of the Montana Codes Annotated (MCA) production. This includes \$101,334 for fiscal 2002 and \$98,134 for fiscal 2003. Adjustments include upgrading MCA production equipment, camera-ready printers, and related software. This funding will also secure a new host for the MCA database and maintain Text DBMS. This present law adjustment is funded from state special revenue funds from sale of the Montana Codes.

| Program Legislative Budget | | | | | | | | |
|----------------------------|-------------------------------|--------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|
| Budget Item | Base Budget Fiscal 2000 | PL Base Adjustment Fiscal 2002 | New Proposals Fiscal 2002 | Total Leg. Budget Fiscal 2002 | PL Base Adjustment Fiscal 2003 | New Proposals Fiscal 2003 | Total Leg. Budget Fiscal 2003 | Total Leg. Budget Fiscal 02-03 |
| FTE | 0.97 | 0.00 | 0.00 | 0.97 | 0.00 | 0.00 | 0.97 | 0.97 |
| Personal Services | 53,512 | 62,982 | 0 | 116,494 | (53,511) | 0 | 1 | 116,495 |
| Operating Expenses | 263,447 | 370,828 | 39,403 | 673,678 | (263,448) | 0 | (1) | 673,677 |
| Total Costs | \$316,959 | \$433,810 | \$39,403 | \$790,172 | (\$316,959) | \$0 | \$0 | \$790,172 |
| General Fund | 316,959 | 356,525 | 39,403 | 712,887 | (316,959) | 0 | 0 | 712,887 |
| State/Other Special | 0 | 77,285 | 0 | 77,285 | 0 | 0 | 0 | 77,285 |
| Total Funds | \$316,959 | \$433,810 | \$39,403 | \$790,172 | (\$316,959) | \$0 | \$0 | \$790,172 |

Program Description

The Legislative Committees and Activities Program processes and monitors expenditures of various legislative committees and activities, particularly those conducted during the interim between legislative sessions. Services include: 1) limited support of interim studies and activities established under 5-5-202 through 5-5-217, MCA; 2) support of interstate cooperation activities of the legislature; and 3) support of other legislative activities.

Funding

The Legislative Committees and Activities Program is funded by general fund, with the exception of the Utility Transition Advisory Committee, which is funded by state special revenue. Funding for the 2003 biennium includes \$712,887 general fund (91 percent) and \$77,285 state special revenue (9 percent).

| Present Law Adjustments | | | | | | | | | | |
|---|-----------|------------------|--------------------|----------------|------|-----------------------|------------------|--------------------|----------------|--|
| -----Fiscal 2002----- | | | | | | -----Fiscal 2003----- | | | | |
| FTE | General | State Special | Federal Special | Total Funds | FTE | General | State Special | Federal Special | Total Funds | |
| Personal Services | | | | (4,566) | | | | | (4,375) | |
| Vacancy Savings | | | | 0 | | | | | 0 | |
| Inflation/Deflation | | | | 827 | | | | | 1,379 | |
| Total Statewide Present Law Adjustments | | | | (\$3,739) | | | | | (\$2,996) | |
| DP 2101 - Program Operations | | | | | | | | | | |
| 0.00 | 328,284 | 0 | 0 | 328,284 | 0.00 | (313,963) | 0 | 0 | (313,963) | |
| DP 2102 - Districting Apportionment Commission | | | | | | | | | | |
| 0.00 | 31,980 | 0 | 0 | 31,980 | 0.00 | 0 | 0 | 0 | 0 | |
| DP 2103 - Utility Transition Advisory Committee | | | | | | | | | | |
| 0.00 | 0 | 77,285 | 0 | 77,285 | 0.00 | 0 | 0 | 0 | 0 | |
| Total Other Present Law Adjustments | | | | | | | | | | |
| 0.00 | \$360,264 | \$77,285 | \$0 | \$437,549 | 0.00 | (\$313,963) | \$0 | \$0 | (\$313,963) | |
| Grand Total All Present Law Adjustments | | | | \$433,810 | | | | | (\$316,959) | |

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 2101 - Program Operations - The legislature approved funds, including \$328,245 in fiscal 2002 to support activities of statutory committees, interim joint subcommittees, and interstate organizational participation. This is a biennial appropriation reflecting the nature of the legislative cycle.

DP 2102 - Districting Apportionment Commission - The legislature approved funding, including \$31,980 in fiscal 2002, to allow the 15-member Districting and Apportionment Commission, in accordance with the Montana Constitution, to redistrict and apportion congressional representative and state legislative districts (required once each decade.) The legislature approved this as a one-time-only appropriation based on the 10-year cyclical requirement.

DP 2103 - Utility Transition Advisory Committee - The legislature approved continued funding for the Utility Transition Advisory Committee on electric utility industry restructuring (required by 69-8-501, MCA). It was funded in a separate bill for the 2001 biennium. This funding is state special revenue, approved as a biennial appropriation. The committee must be dissolved on the earlier of the date full transition to retail competition is completed, or December 31, 2004.

| New Proposals | | | | | | | | | | |
|--|-------------|-----------------|---------------|-----------------|-----------------|-------------|------------|---------------|-----------------|-------------|
| Prgm | FTE | Fiscal 2002 | | | | Fiscal 2003 | | | | Total Funds |
| | | General | State Special | Federal Special | Total Funds | FTE | General | State Special | Federal Special | |
| DP 514 - Northwest River Governance (Biennial/OTO) | | | | | | | | | | |
| 21 | 0.00 | 10,000 | 0 | 0 | 10,000 | 0.00 | 0 | 0 | 0 | 0 |
| DP 527 - Interim Study on Health Care Access | | | | | | | | | | |
| 21 | 0.00 | 29,403 | 0 | 0 | 29,403 | 0.00 | 0 | 0 | 0 | 0 |
| Total | 0.00 | \$39,403 | \$0 | \$0 | \$39,403 | 0.00 | \$0 | \$0 | \$0 | \$0 |

New Proposals

DP 514 - Northwest River Governance (Biennial/OTO) - The legislature approved \$10,000 general fund as biennial one-time-only funding to send delegates to meetings involving Western legislators to address governance of Western rivers and waterways.

DP 527 - Interim Study on Health Care Access - The legislature provided \$29,403 general fund as a biennial appropriation for interim studies, to include the Interim Study on Health Care Access.

| Program Legislative Budget | | | | | | | | |
|----------------------------|-------------------------------|--------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|
| Budget Item | Base Budget Fiscal 2000 | PL Base Adjustment Fiscal 2002 | New Proposals Fiscal 2002 | Total Leg. Budget Fiscal 2002 | PL Base Adjustment Fiscal 2003 | New Proposals Fiscal 2003 | Total Leg. Budget Fiscal 2003 | Total Leg. Budget Fiscal 02-03 |
| FTE | 18.80 | 0.00 | 0.00 | 18.80 | 0.00 | 0.00 | 18.80 | 18.80 |
| Personal Services | 978,955 | 8,191 | 0 | 987,146 | 14,961 | 0 | 993,916 | 1,981,062 |
| Operating Expenses | 53,063 | 1,576 | 19,000 | 73,639 | 39,482 | 0 | 92,545 | 166,184 |
| Total Costs | \$1,032,018 | \$9,767 | \$19,000 | \$1,060,785 | \$54,443 | \$0 | \$1,086,461 | \$2,147,246 |
| General Fund | 1,032,018 | 9,767 | 19,000 | 1,060,785 | 54,443 | 0 | 1,086,461 | 2,147,246 |
| Total Funds | \$1,032,018 | \$9,767 | \$19,000 | \$1,060,785 | \$54,443 | \$0 | \$1,086,461 | \$2,147,246 |

Program Description

The Legislative Fiscal Division provides the legislature with objective fiscal information and analysis relevant to Montana public policy and budget determination. Division services include: 1) fiscal analysis of state government including information bearing upon the financial matters of the state; 2) identification of methods to effect economy and efficiency in state government; 3) estimation of revenue and analysis of tax policy; 4) analysis of the executive budget; 5) analysis of fiscal information for legislators and legislative committees; and 6) staff support for legislative committees, including the preparation and processing of the General Appropriations Act. The Legislative Finance Committee provides policy guidance to the Legislative Fiscal Analyst.

Funding

The program is funded entirely by general fund.

| Present Law Adjustments | | | | | | | | | |
|--|------------|------------------|--------------------|-----------------|-----------------------|----------|------------------|--------------------|-----------------|
| -----Fiscal 2002----- | | | | | -----Fiscal 2003----- | | | | |
| FTE | General | State Special | Federal Special | Total Funds | FTE | General | State Special | Federal Special | Total Funds |
| Personal Services | | | | 48,862 | | | | | 53,486 |
| Vacancy Savings | | | | 0 | | | | | 0 |
| Inflation/Deflation | | | | (2,944) | | | | | (2,693) |
| Fixed Costs | | | | (480) | | | | | (480) |
| Total Statewide Present Law Adjustments | | | | \$45,438 | | | | | \$50,313 |
| DP 699 - Vacancy Savings at 4 Percent | | | | | | | | | |
| 0.00 | (40,671) | 0 | 0 | (40,671) | 0.00 | (41,025) | 0 | 0 | (41,025) |
| DP 2701 - Legislative Session Costs | | | | | | | | | |
| 0.00 | 0 | 0 | 0 | 0 | 0.00 | 40,155 | 0 | 0 | 40,155 |
| DP 2702 - Operating Costs | | | | | | | | | |
| 0.00 | 5,000 | 0 | 0 | 5,000 | 0.00 | 5,000 | 0 | 0 | 5,000 |
| Total Other Present Law Adjustments | | | | | | | | | |
| 0.00 | (\$35,671) | \$0 | \$0 | (\$35,671) | 0.00 | \$4,130 | \$0 | \$0 | \$4,130 |
| Grand Total All Present Law Adjustments | | | | \$9,767 | | | | | \$54,443 |

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 699 - Vacancy Savings at 4 Percent - The legislature approved applying the statewide vacancy savings rate of 4 percent to the Legislative Branch and included the state share of health insurance premiums in the calculation for determining the amount. This resulted in a reduction of \$81,696 in general fund for the Legislative Fiscal Division.

DP 2701 - Legislative Session Costs - The legislature approved funds in fiscal 2003 for printing costs, support staff overtime, temporary secretarial services, document production services, and/or supplies associated with the 2003 legislative session. Significant printing costs are incurred related to budget analysis, session publications, budget summary pamphlets, and post-session reports. Cyclical expenditures are not reflected in the base year and are equal to those authorized in the 2001 biennium.

DP 2702 - Operating Costs - The legislature approved funds, including \$5,000 in fiscal 2002 and \$5,000 in fiscal 2003, for additional office supplies and to upgrade telephone equipment and services.

| New Proposals | | | | | | | | | | |
|--|-------------|-----------------|---------------|-----------------|-----------------|-------------|------------|---------------|-----------------|-------------|
| Prgm | FTE | Fiscal 2002 | | | | Fiscal 2003 | | | | |
| | | General | State Special | Federal Special | Total Funds | FTE | General | State Special | Federal Special | Total Funds |
| DP 519 - LFC Interim Studies (Restricted/Biennial) | | | | | | | | | | |
| 27 | 0.00 | 19,000 | 0 | 0 | 19,000 | 0.00 | 0 | 0 | 0 | 0 |
| Total | 0.00 | \$19,000 | \$0 | \$0 | \$19,000 | 0.00 | \$0 | \$0 | \$0 | \$0 |

New Proposals

DP 519 - LFC Interim Studies (Restricted/Biennial) - The legislature approved \$19,000 general fund as a restricted, biennial appropriation for Legislative Finance Committee interim studies, including funds to study mental health services (HJR 1) and to conduct an interim review of local government dedication laws (SB 162).

| Program Legislative Budget | | | | | | | | |
|----------------------------|-------------------------------|--------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|
| Budget Item | Base Budget Fiscal 2000 | PL Base Adjustment Fiscal 2002 | New Proposals Fiscal 2002 | Total Leg. Budget Fiscal 2002 | PL Base Adjustment Fiscal 2003 | New Proposals Fiscal 2003 | Total Leg. Budget Fiscal 2003 | Total Leg. Budget Fiscal 02-03 |
| FTE | 56.00 | 0.00 | 0.00 | 56.00 | 0.00 | 0.00 | 56.00 | 56.00 |
| Personal Services | 2,574,985 | 258,176 | 0 | 2,833,161 | 274,379 | 0 | 2,849,364 | 5,682,525 |
| Operating Expenses | 273,264 | 68,625 | 0 | 341,889 | 26,975 | 0 | 300,239 | 642,128 |
| Total Costs | \$2,848,249 | \$326,801 | \$0 | \$3,175,050 | \$301,354 | \$0 | \$3,149,603 | \$6,324,653 |
| General Fund | 1,730,069 | 58,102 | 0 | 1,788,171 | 97,612 | 0 | 1,827,681 | 3,615,852 |
| State/Other Special | 1,118,180 | 268,699 | 0 | 1,386,879 | 203,742 | 0 | 1,321,922 | 2,708,801 |
| Total Funds | \$2,848,249 | \$326,801 | \$0 | \$3,175,050 | \$301,354 | \$0 | \$3,149,603 | \$6,324,653 |

Program Description

The Legislative Audit & Examination Division conducts independent audits and provides factual and objective information to the legislative and executive managers of the public trust. Division services include: 1) conducting and reporting biennial financial compliance audits, performance audits, information systems audits, and special audits of state agency operations; 2) reporting of violation of statutes, instances of misfeasance, malfeasance, or nonfeasance, and shortages discovered in an audit that are covered by surety; 3) auditing records of entities under contract with the state; and 4) assisting the legislature, its committees, and its members by providing information related to the fiscal affairs of state government. The Legislative Audit Committee provides policy guidance to the Legislative Audit Division.

Funding

The Audit & Examination Program is funded by a combination of general fund and state special revenue appropriations. Special revenue is derived through the assessment to agencies of federally approved hourly rate charges for audit services. For the 2003 biennium, \$3.6 million general fund provides 58 percent of the division's funding, while \$2.7 million state special revenue provides 42 percent.

| Present Law Adjustments | | | | | | | | | |
|--|-------------------|-------------------|--------------------|-------------------|-----------------------|-------------------|-------------------|--------------------|-------------------|
| -----Fiscal 2002----- | | | | | -----Fiscal 2003----- | | | | |
| FTE | General | State Special | Federal Special | Total Funds | FTE | General | State Special | Federal Special | Total Funds |
| Personal Services | | | | 375,821 | | | | | 392,695 |
| Vacancy Savings | | | | 0 | | | | | 0 |
| Inflation/Deflation | | | | 3,132 | | | | | 5,395 |
| Fixed Costs | | | | (13,159) | | | | | (13,152) |
| Total Statewide Present Law Adjustments | | | | \$365,794 | | | | | \$384,938 |
| DP 699 - Vacancy Savings at 4 Percent | | | | | | | | | |
| 0.00 | (68,072) | (49,573) | 0 | (117,645) | 0.00 | (67,272) | (51,044) | 0 | (118,316) |
| DP 2801 - Independent Audit Services | | | | | | | | | |
| 0.00 | 54,740 | 20,225 | 0 | 74,965 | 0.00 | 17,641 | 12,774 | 0 | 30,415 |
| DP 2802 - Audit Division Operations | | | | | | | | | |
| 0.00 | 2,065 | 1,622 | 0 | 3,687 | 0.00 | 2,504 | 1,813 | 0 | 4,317 |
| Total Other Present Law Adjustments | | | | | | | | | |
| 0.00 | (\$11,267) | (\$27,726) | \$0 | (\$38,993) | 0.00 | (\$47,127) | (\$36,457) | \$0 | (\$83,584) |
| Grand Total All Present Law Adjustments | | | | \$326,801 | | | | | \$301,354 |

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 699 - Vacancy Savings at 4 Percent - The legislature approved applying the statewide vacancy savings rate of 4 percent to the Legislative Branch and included the state share of health insurance premiums in the calculation for determining the amount. This reduction included \$235,961 in funding (\$135,344 general fund and \$100,617 in state special revenue) for the Legislative Audit and Examination Division.

DP 2801 - Independent Audit Services - The legislature approved funds, including \$74,965 in fiscal 2002 and \$30,415 in fiscal 2003, to complete required biennial audits of state agencies. This includes cyclical audit costs associated with biennial independent audits of the Legislative Branch and Audit Division, costs associated with the biennial Peer Review required by Government Auditing Standards, costs associated with hiring consultants, and restoration of reverted funds from the on-going quasi-external contract between the Audit Division and the Department of Justice.

DP 2802 - Audit Division Operations - The legislature approved funds, including \$3,687 in fiscal 2002 and \$4,317 in fiscal 2003, for general operation increases in subscription and education costs. The Audit Division subscribes to many professional periodicals and guides. These funds will maintain existing subscriptions in support of the division employee training plan to ensure compliance with Government Auditing Standards.